

**CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT
MEMORANDUM**

To: Jerry Kenny, PH.D., Executive Director - PRRIP
Jeff Fassett, Director - Nebraska Department of Natural Resources
Diane Wilson, COO/CFO - Nebraska Community Foundation

From: Don Kraus, PE, General Manager - CNPPID

Subject: Quarterly J-2 Regulating Reservoir Report – through December 2015

Date: March 4, 2016

Progress Report

The RJH J-2 Project quarterly progress report is attached.

Financial Report

• Funds received to date	\$20,475,000.00
• J-2 Operating Fund	\$11,018,549.77
Construction Phase Decommissioning Fund	\$2,252,443.50
Construction Phase Reserve Fund	\$2,653,158.21
Construction Phase Project Fee	<u>\$378,008.27</u>
Total	\$16,302,159.75
December Expenses not Reflected in Bank Balance	<u>\$190,055.74</u>
Adjusted Quarterly Balance as of March 4	\$16,183,643.75
• J2 Project Expenses 1st quarter 2015	\$237,374.10
• J2 Project Expenses 2nd Quarter 2015	\$762,942.12
• J2 Project Expenses 3rd Quarter 2015	\$1,278,949.30
• J2 Project Expenses 4 th Quarter 2015	\$435,833.83
• J2 Project expenses 2013	\$77,400.79
• J2 Project expenses 2014	\$1,570,395.85
• Total J-2 Project expenses paid through Dec 2015:	\$4,362,895.99

Annual Financial Report

The annual reports are attached.



Quarterly Report No. 09

J-2 Regulating Reservoirs Project

Report Period: December 2015, January and February, 2016

The purpose of this Quarterly Report is to provide a general summary of the work performed for the J-2 Regulating Reservoirs Project (Project) during December, 2015, and January and February, 2016. This report does not include details of all the subtasks performed. The summary of work is organized into the following general categories of work:

- General Project Management and Implementation Tasks
- Permitting Activities
- Land Purchase Activities
- Water Rights Petition Filing
- Engineering Tasks

General Project Management and Project Implementation Tasks

- Continued to coordinate as a team through recurring teleconferences.
- Maintained a Project website to provide information to the public.
- Continued to hold topic-specific coordination meetings to support various aspects of permitting and engineering.
- Continued to manage specialized sub consultants related to environmental and cultural resource permitting.
- Presented a cost curve for a single reservoir project and the results of a Value Engineering (VE) Study to the Governance Committee of the Platte River Recovery and Implementation Program (Program).
- Coordinated with the Program's special advisor for dams regarding value engineering alternatives.
- Revised the overall Project schedule to reflect the changes in project concept.
- Began working to revise the agreement between Central and the Program to reflect a single reservoir concept.

Permitting Activities

- Responded to stakeholder comments on the draft Phase I cultural resource study plan (CRSP) and filed the final Phase I CRSP with the Federal Energy Regulatory Commission (FERC), who is the lead permitting agency for the Project.
- Continued preparation of the Phase I archeological reports.
- Completed data compilation for the wetland delineation and functional assessment of streams. Began evaluation of collected data and report preparation.



- Completed data compilation from water quality testing during 2015, and began evaluation of the data relative to the requirements of the study plan. The consultants have concluded that additional sampling and testing is needed during 2016 to support establishment of baseline water quality data.
- Discussed the change to a single reservoir concept with USACE (Section 404 permit) and the expected permitting process.
- Continued development of the Phase II CRSP
- Began developing an approach to consultations with the Pawnee Nation.

Land Purchase Activities

- Let an option expire for purchase of about 540 acres of potential trade lands because of lack of landowner interest in trade lands.
- Continued discussions with Landowners in attempt to purchase lands through negotiations.

Water Rights Petition Filing

- No work was performed on this task.

Engineering Tasks

- Continued to monitor the groundwater levels at 22 monitoring well locations along the Phelps Canal and around the proposed reservoir areas.
- Continued laboratory testing and compilation of geotechnical data.
- Completed the single-reservoir (Reservoir 1) cost curve and prepared draft and final memoranda to explain the cost curve and results of the Value Engineering Study.
- Continued to identify design criteria that could be adjusted to help reduce costs.
- Continued evaluation of potential canal modifications to reduce costs.
- Continued evaluating a VE concept proposed by the special advisor to the Program.
- Prepared memorandum documenting the cost curve and results of a VE evaluation for a single reservoir concept.
- Began geotechnical field investigation to support evaluation of the feasibility of a barrier wall seepage management system.

Tasks Anticipated for the Next Quarter

- Prepare to collect water quality data for 2016 in accordance with the approved study plan.
- Complete a draft of the Phase II CRSP and issue for stakeholder comment.



- Complete and file with FERC and Nebraska SHPO the reports from the Phase I and Cultural Resource studies.
- Complete the reports of the wetlands survey and stream functional assessment. Issue draft reports for preliminary USACE review and stakeholder review.
- Continue development of purpose and need statement, and advance USACE 404 alternatives (i.e., LEDPA) analysis.
- Finalize the revised agreement between Central and the Program.
- Potentially resume negotiations to access land for continued geotechnical and cultural resource studies.
- Continue geotechnical field exploration to support evaluation of the feasibility of a barrier wall seepage management system.
- Continue engineering tasks to advance the concept for a single reservoir project.

Potential Issues:

The key issues for the Project at this time are:

- We need to continue progress towards gaining access to, or ownership of the private land at the identified Project location to advance data collection for permitting and engineering design.